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AGRICULTURAL COMMODITIES

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Agreement Between the
UNITED STATES OF AMERICA
and EGYPT

Amending the Agreement of
March 20, 1979, as Amended

Effected by Exchange of Notes
Signed at Cairo May 24, 1982

59.10:

READEX FICHE

NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89-497, approved July 8, 1966 (80 Stat. 271; 1 U.S.C. 113)—

". . . the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof."

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EGYPT

Agricultural Commodities

Agreement amending the agreement of March 20, 1979, as amended.
Effected by exchange of notes
Signed at Cairo May 24, 1982;
Entered into force May 24, 1982.

The American Ambassador to the Egyptian Deputy Prime Minister for Economic and Financial Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA

Cairo, May 24, 1982

Excellencies:

I have the honor to refer to the PL 480 [1] Food for Development (Title III) Agreement signed between our two Governments on March 20, 1979, as amended,[2] and propose the Agreement be further amended as follows:

A. Part II - Particular Provisions:

1. Item I - Commodity Table - Insert the following under appropriate columns: "Wheat, 1982, 100,000, dollars 15.0" and on the following line entitled Total delete "285,000, dollars 45.0" and insert "385,000, dollars 60.0."

2. Under Item III - Usual Marketing Table - Under column entitled Import Period (U.S. Fiscal Year) delete "1981" and insert "1982."

3. Under Item IV - Export Limitations - Delete in sub-paragraph A, after ...U.S. Fiscal Year "1981" and insert "1982."

4. Under Item V - Self-Help Measures - Delete the existing self-help measures in their entirety and insert the following:

"a. The Government of the importing country agrees to undertake self-help measures to improve the production, storage, and

[1] 68 Stat. 454; 7 U.S.C. § 1701 *et seq.*
[2] TIAS 9683, 10089; 31 UST; 5714; 33 UST.

distribution of agricultural commodities. The following self-help measures shall be implemented to contribute directly to development progress in poor rural areas and enable the poor to participate actively in increasing agricultural production through small farm agriculture.

"b. The Government of Egypt agrees to undertake and provide adequate financial, technical and managerial resources for the implementation of the activities listed by major grouping below:

"1. Agricultural Policy and Planning

"(a) Review pricing policies for agricultural inputs. This review should serve as the basis for implementing a rational system of input allocation and use.

"(b) Continue to review the subsidies on consumer prices for food items. This review should serve as a basis for implementing a subsidy policy that protects primarily the lower income groups.

"(c) Increase incentives for domestic food crop production. The

GOE will continue to rationalize input and consumer prices with a view toward establishing prices that will provide adequate incentive to producers. This process will include the continuation of procurement of wheat from farmers by the GOE. The GOE will conduct an analysis during FY 1982 to determine the need to initiate a similar program for corn. The procurement prices will be set with the objective of reducing the differences between the domestic and world prices of wheat. In assessing supply management, the Government will give procurement priority to the full utilization of domestically produced crops. Food imports will be distributed in a manner that will minimize the disincentive to domestic production.

"2. Agricultural Research and Extension. "Examine the organization and management of agricultural research as it relates to increased production through the extension process and to

strengthen Egyptian agricultural research efforts as noted in the Memorandum of Understanding signed November 1979. [1] The review will:

"(a) Identify constraints for effectively managing the agricultural research/extension/dissemination system;

"(b) Develop procedures which provide the necessary services, create incentives, and demonstrate research results effectively to individual farmers;

"(c) Identify which new technologies, beneficial to Egypt, are available internationally for potential adoption by Egypt's farmers;

"(d) Evaluate results from previous Egyptian agricultural research projects and disseminate those most likely to support increased small farmer productivity; and

"(e) Develop priorities for funding of applied research project activities.

"3. Water Conservation and On-Farm Management.

"Assess the structural and institu-

[1] Not printed.

tional options for promoting the conservation and better on-farm management of water, e.g. pricing water so that water constitutes an input cost.

"4. Land Investment and Operation and Maintenance.

"Continue an assessment of agricultural sector investment levels with particular focus on investment level targets for improvement of presently cultivated agricultural lands, including previously reclaimed land as well as projects for the development of new reclaimed lands.

"5. The GOE will take the following steps to permit private importers to import 400,000 MT of fertilizer:

"(a) Make foreign exchange available to them at the official exchange rate, and

"(b) Allocate local currency which permits sale of the fertilizer at one hundred and fifty (150) percent of full subsidy.

"6. Continue discussions of ways to improve the climate for U.S. private investment in Egyptian agribusiness sector."

B. Annex B.

Under Item VI Paragraph A Number 2, change "third" to "fourth."

Under Item VI Paragraph A Number 3, delete "third year will be completed by February 1, 1982" and insert "fourth year will be completed by February 1, 1983."

All other terms and conditions of the March 20, 1979 Title III Agreement as amended June 30, 1980, and June 28, 1981, remain the same.

I propose this Note and your reply, concurring therein constitute an Agreement between our two Governments to be effective on the date of your Note in reply.

Accept, Excellencies, the assurance of my highest consideration.

Alfred L. Atherton, Jr.

His Excellency
Mohamed Abdel Fattah Ibrahim
Deputy Prime Minister for
Economic and Financial Affairs
of the Arab Republic of Egypt
Cairo

His Excellency
Ahmed Ahmed Nouh
Minister of Supply and Home Trade
of the Arab Republic of Egypt
Cairo

His Excellency
Dr. Youssef Wally
Minister of State for Agriculture
and Food Security
of the Arab Republic of Egypt
Cairo

The Egyptian Deputy Prime Minister for Economic and Financial Affairs to the American Ambassador

ARAB REPUBLIC OF EGYPT

DEPUTY PRIME MINISTER
FOR ECONOMIC AND FINANCIAL AFFAIRS

Cairo, MAY 24, 1982

His Excellency

Alfred L. Atherton
Ambassador of United States of America

Excellency:

I have the honor to acknowledge receipt of your Note of May 24, 1982, which reads as follows:

[For the text of the U.S. note, see pp. 2-7.]

I have the honor to inform your Excellency that the terms of the foregoing Note are acceptable to the Government of the Arab Republic of Egypt and that the Government of the Arab Republic of Egypt considers Your Excellency's Note and the present reply as constituting an Agreement between our two Governments on this subject to enter into force on the date of this reply.

Accept, Excellency, the assurance of my highest consideration.

M.A. FATAH IBRAHIM
Deputy Prime Minister
for Economic and Financial
Affairs

In Witness

Ahmed Ahmed Nouh
Minister of Supply and Home Trade

DR. Youssef Wally
Minister of State for Agriculture
and Food Security

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